

**MINUTES OF MEETING**  
**JANUARY 10, 1991, 9:00 A.M., EST**

The Members of the Department of Financial Institutions met at 9:00 a.m., EST, in Room 907, State Office Building, Indianapolis, Indiana on Thursday, January 10, 1991. Members present were Messrs. Mark Hasten, presiding, R. Douglas Grant, John M. House, W. Paul Wolf, Roy Haley, and Mrs. Dee L. Godme. Also present were Director Charles W. Phillips; Deputy Director Donald E. Husk, Deputy Director; J. Philip Goddard, Chief Legal Counsel; Mark K. Powell, Supervisor, Credit Union and Savings and Loan Division; James M. Cooper, Supervisor, Merger & Acquisition Division; John J. Schroeder, Senior Bank Analyst, Bank Division and Janice Boger, Executive Secretary; John Zerkel representing Community Bancshares and Valley American Bank & Trust; Mr. Charles Crow, representing Community Bancshares; Mr. Greg Schenkel, INB Financial Corporation; and Mr. Terry Duga, Attorney General's Office. Member Eugene H. Deutsch was absent.

**I. PUBLIC SESSION**

- A.) Mr. Hasten called the meeting to order.
- B.) Upon motion made by Mr. House and seconded by Mr. Wolf, the minutes of the meeting held December 13, 1990, were unanimously approved.

**BANK AND TRUST DIVISION**

1. & 2.) Request by Trustcorp Bank, Indianapolis, Marion County, Indiana (Trustcorp) for approval of a three-way merger. Trustcorp Bank proposes to merge with (1.) STAR Financial Bank, Elwood, Madison County, Indiana (Elwood), and with (2.) the First National Bank of Madison County, Anderson, Madison County, Indiana (Anderson). Both the Elwood and Anderson bank are wholly owned subsidiaries of STAR Financial Group, Inc., Marion, Grant County, Indiana (STAR). Pursuant to approvals granted by the Department and the Federal Reserve Board, Trustcorp will also become a wholly owned subsidiary of STAR immediately prior to the proposed three-way merger. Trustcorp will be renamed the STAR Financial Bank, Indianapolis. The mergers will result in the applicant operating a total of eleven branch banking offices in Marion, Hamilton, and Madison Counties. In addition to the applicant's main office at 300 North Meridian Street, Indianapolis, Indiana, the following offices will be operated as branches:

- a. STAR Financial Bank, Elwood
  - 1. 125 South Anderson Street, Elwood (former main office)
  - 2. State Road 37 South, Elwood
  - 3. State Road 67 South, Pendleton
  - 4. State Road 13 South, Elwood
  - 5. 4999 State Road 9 North, Anderson

Item (1) was put to a vote; upon motion made by Mr. Grant and seconded by Mr. House, item (1) was unanimously approved.

- b. First National Bank of Madison County, Anderson
  - 6. 735 Main Street, Anderson (former main office)
  - 7. 140 East Carmel Drive, Carmel
  - 8. State Road 28 East, Elwood
  - 8. 2445 Broadway, Anderson
  - 10. 821 East State Road 67, Anderson
  - 11. 2912 Nichol Avenue, Anderson

Item (2) was put to a vote; upon motion made by Mr. House, and seconded by Mr. Grant, Item (2) was unanimously approved.

- 3.) Northern Indiana Savings Association, F.A., Chesterton, Porter County, Indiana (NISAFA) applied for approval to convert to an Indiana chartered savings and loan pursuant to I.C. 28-2-21-30. Prior to its conversion to a state institution, NISAFA will have been acquired by Valley Financial Services, Inc., (Valley) a one bank holding company located in Mishawaka, Indiana. Immediately subsequent to its conversion to a state S & L (to be known as Northern Indiana Savings Association), the institution will convert to a state commercial bank and e merged with Valley's bank subsidiary. Mr. Grant made a motion to approve the application subject to the immediately sequential conversion of Northern Indiana Savings Association to an Indiana commercial bank, and the resulting bank's immediate merger with Valley American Bank and Trust company, South Bend, St. Joseph County, Indiana. The motion was seconded by Mr. Wold and unanimously approved.
- 4.) Northern Indiana Savings Association, Chesterton, Porter County, Indiana (NISA), a product of the above conversion, seeks approval to convert to an Indiana chartered commercial bank pursuant to I.C 28-2-21.6. Upon its conversion to a commercial bank (to be known as Valley Savings Bank), the institution will immediately be merged with Valley American Bank and Trust Company, South Bend, St. Joseph County, Indiana. This application was received on November 14, 1990. Mr. Grant made a motion to approve the application subject to the immediately sequential merger of Valley Savings Bank with Valley American Bank and Trust Company, South Bend, St. Joseph County, Indiana. The motion was seconded by Mr. Wolf and unanimously approved.
- 5.) Valley American Bank and Trust Company, South Bend, St. Joseph County, Indiana (VAB) for approval to merge with Valley Savings Bank of Chesterton, Porter County, Indiana (VSB). The merger will consummate immediately following the executive of two steps described above. VAB will survive between wholly owned subsidiary of Valley Financial Services, Inc., Mishawaka, St Joseph County, Indiana. As a result of the merger, the following offices of VSB will become branches of VAB:
  - 1. 103 Broadway, Chesterton (former main office)
  - 2. 1600 South Calumet Avenue, Chesterton
  - 3. 54500 North Johnson Road, Michigan City

A motion was made for approval by Mr. Grant and seconded by Mr. House. The motion was unanimously approved.

- 6.) Community Bancshares, Inc., Noblesville, Hamilton County, Indiana submitted an application to acquire control of Summitville Bank & Trust Company, Summitville, Madison County, Indiana pursuant to I.C. 28-1-2-23.lest 80% of the outstanding stock of Summitville Bank & Trust Company.

Mr. Haley made a motion to approve the application subject to the maintenance of the bank's tangible primary capital at a level equal to at least 7.5% of the proposed acquisition. The motion was seconded by Mr. Grant, and unanimously approved.

- 7.) Summitville Bank & Trust Company, Sumitville, Madison County, Indiana submitted an application to establish a branch de novo at 825 Main Street, Lapel, Madison County, Indiana pursuant to the provisions of I.C. 28-2-12-19. The applicant proposes to purchase the assets and assume the deposit liabilities attributed to the Lapel branch of Colonial Central Savings Bank, F.S. B., Mt. Clemens, Michigan. Mr. Haley made a motion to approved the application subject to the maintenance of the bank's tangible primary capital at a level equal to at least 7.5@ of adjusted total assets for a period of 36 months following the consummation of the proposed acquisition; and compkliance with the provision of the OAKAR Amendment (12 U.S.C. 1815(d). The mition was seconded by Mr. House and unanimously approved.

### **DIVISION OF CREDIT UNION AND SAVINGS & LOANS**

- 1.) Request by Wabash County Farm Bureau Credit Union, Wabash, Wabash County, Indiana for permission to establish a service office at 214 North Grant Street, Peru, Miami County, Indiana, 46970. Upon motion made by Mrs. Godme and seconded by Mr. Haley, the motion was unanimously approved.

### **III. DIRECTOR'S COMMENTS**

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- A.) Union Bank and Trust Company, Greensburg, Decatur County, Indiana closed a branch banking office at 906 West 4<sup>th</sup> Street, Greensbrug, Decatur County, Indiana. The closing took place on December 31, 1989 at 2:20 p.m., EST. Notice of the closing was published on November 1, 1990 in the Greensburg Daily News, Greensburg, Decatur County, Indiana. This item was for informational purposes only.
- B.) The Members reviewed the decision of DFI versus the Comptroller of the Currency and Indiana National Bank, and considered the question of appealing the case. The case involves the application by INB National Bank, Indianapolis, to the Comptroller of the Currency to establish a branch in Bloomington in a non-contiguous county. There was a lengthy discussion on the matter, and a motion to approve not appealing the case for made by Mr. Wolf, and seconded by Mr. Haley. The motion was approved. Mr. Grant and Mr. House voted against the motion.

There being no further business to come before the Members, the meeting was adjourned. The next regularly scheduled meeting will be Wednesday, February 13, 1991 at 9:00 a.m., EST at a location to be determined.

APPROVED: \_\_\_\_\_ ATTEST: \_\_\_\_\_